

Message Text

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PAGE 01 QUITO 00404 182338Z
ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00
CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /098 W
-----190710Z 086695 /16

R 182305Z JAN 77
FM AMEMBASSY QUITO
TO SECSTATE WASHDC 2924
INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 0404

E.O. 11652: GDS
TAGS: BDIS, EINV, ENRG, EC
SUBJECT: OKC'S ACQUISITION OF ADA'S INTERESTS IN ECUADOR

REF: STATE 010980

1. EMBASSY IS INCLINED TO AGREE WITH DEPARTMENT'S PRELIMINARY ASSESSMENT THAT OKC'S PURCHASE OF ADA'S INTERESTS IN ECUADOR MAY MAKE IT EASIER TO SOLVE THIS LONG-STANDING IRRITANT IN OUR RELATIONS, INsofar AS IT BRINGS INTO THE DISPUTE NEW PARTIES WHO MAY HAVE NEW APPROACHES TO OFFER. HOWEVER, WE BELIEVE THAT THIS TRANSACTION RAISES A NUMBER OF IMPORTANT QUESTIONS THAT CAN ONLY BE ANSWERED BY OKC PRESIDENT CLOYCE BOX, AND EMBASSY THEREFORE RECOMMENDS THAT DEPARTMENT OFFICERS ASK FOR A MEETING WITH BOX AS SOON AS POSSIBLE.

2. WE SUGGEST THAT BOX BE ASKED THE FOLLOWING QUESTIONS INVOLVING ADA'S LONG-STANDING CLAIM AGAINST THE GOE:

(A) DOES OKC INTEND TO PURSUE ADA'S CLAIM AGAINST THE GOE, AND, IF SO, HOW?

(B) DOES OKC PLAN TO ENTER INTO PARTNERSHIP WITH
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PAGE 02 QUITO 00404 182338Z

NORTHWEST TO DEVELOP THE GULF OF GUAYAQUIL, AND WAS SUCH A PARTNERSHIP IN ANY WAY A CONDITION OF OKC'S PURCHASE OF ADA'S ASSETS?

(C) DOES OKC OR ADA PLAN TO PROCEED WITH THE SUIT IN TEXAS AGAINST NORTHWEST?

3. REGARDING THE ACTUAL TRANSACTION, EMBASSY WOULD BE INTERESTED TO KNOW:

(A) WHAT ROLE DID GOE OFFICIALS (PARTICULARLY MINISTER OF NATURAL RESOURCES VARGAS) PLAY IN THE TRANSACTION, IF ANY?

(B) HOW MUCH DID OKC PAY ADA, AND WHAT SORT OF FINANCING ARRANGEMENTS HAVE BEEN MADE?

4. EMBASSY WILL TRY TO DEVELOP CONFIRMATION/INFORMATION LOCALLY, BUT WE BELIEVE LOCAL SOURCES ARE NOT LIKELY TO BE WELL-INFORMED.
BLOOMFIELD

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Message Attributes

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